Subsidy to Postal Department

2474. SHRI C. RAMACHANDRAIAH: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Postal Department reels under subsidy burdens" appearing in 'Hindustan Times' dated 4th June, 2001;

(b) if so, whether despite recent increase in prices of most of postal instruments Government have to suffer massive losses and subsidize almost all instruments like post-card, inland letters, envelopes, postal orders and even registration;

(c) if so, the details thereof and the reasons for rise in cost of these services; and

(d) the details of measures taken to reduce subsidy and losses suffered by the Postal Department?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) and (c) The total deficit of the Department of Posts for the year 1999-2000 (Actual) was about Rs. 1595 crore and that the projected deficit for the year 2001-2002 is about Rs. 1683 crore. The high deficit of the Department is due to continuous increase in the cost of operations. The operation of the Department of Posts are predominantly labour intensive and the expenditure towards salaries, wages, pensionary charges etc. amounts to about 89% of the total working expenses. The cost of operations will continue to increase due to revision of salaries, wages, dearness allowance, etc. from time to time. Even though the postal rates are revised from time to time to reduce the deficit of the Department, the percentage of increase in revenue is always less than the percentage of increase in the expenditure incurred in providing the postal services. Consequently, operational cost of postal services has been increasing progressively and this has been a cause for concern.

Even though the postal service is an essential element of the socio-economic infrastructure and has a significant and important role in providing required connectivity among various parts of the country and its people, the Planning Commission as well as the Ministry of Finance have been suggesting suitable revision in postal tariffs and reduction of expenditure with the objective of substantially reducing the postal deficit so that the deficit of the department could be brought down substantially. Keeping in view the eventual social obligation, the need for reducing the deficit of the department and also

the necessity for generating additional revenues to modernize the services for meeting the needs of customers, revision of postal rates from time to time is unavoidable.

(d) The Department of Posts has been making all out efforts to control expenditure and enhance revenue, in order to contain the deficit. Expenditure control is effected through economy measures and close monitoring of expenditure. Postal tariffs are revised from time to time to reduce the subsidy provided in each service keeping in view the eventual social obligation of the Department. Effective steps are also being taken to revise agency charges to be recovered from other departments in respect of agency services rendered on their behalf. The Department of Posts is also making all out efforts to mobilise additional resources through better marketing of premium product service like speed post, Business post and commercial publicity, etc.

Telephone facilities in the villages of Tamil Nadu

2475. PROF. M. SANKARALINGAM: Will the Minister of COMMUNICATIONS be pleased to state:

(a) the district-wise number of villages having telephone facility in Tamil Nadu as on date; and

(b) the location-wise number of villages where telephone facility is proposed to be provided during 2001-2002?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) and (b) All the 17,899 villages in Tamil Nadu have been provided with telephone facility as on date at least by providing a Village Public Telephone in each village. District-wise details are given in the enclosed Statement.

Statement

S.No.	Name of District	Village Public Telephones
1.	Coimbatore	488
2.	Cuddalore	790
3.	Dharmapuri	1169
4.	Dindigul	399
5.	Erode	531
6.	Kancheepuram	1087
7.	Kanyakumari	183
8.	Karur	189
9.	Madurai	631